GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4689
ANSWERED ON:25.04.2008
FDI IN BANKING AND INSURANCE SECTOR
Jindal Shri Naveen;Mediyam Dr. Babu Rao

Will the Minister of FINANCE be pleased to state:

(a) the details of Foreign Direct Investment (FDI) in Public/ Private Sector Banks and Public / Private Insurance Companies during each of the last three years;

(b) whether the Government has prepared any guidelines to increase FDI limit in the above sectors;

(c) if so, the details thereof;

(d) whether the insurance sector has asked for exemption of service tax for health insurance; and

(e) if so, the reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) The details of inflow of Foreign Direct Investment (FDI) in the banks and insurance companies, under the Automatic Route, during the years 2005, 2006 and 2007 are given below:-

(Rs. in crore)

	2005	2006	2007
Banks	413.05	343.53	986.14
Insurance Companies	111.37	184.40	410.55

(b) & (c): There is no proposal to increase FDI limit in the banking sector. However, a proposal to increase FDI limit in Indian Insurance Companies from 26% to 49% is under consideration of the Group of Ministers.

(d): No, Sir.

(e): Does not arise.